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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

BOB STUMP - Chairman
 GARY PIERCE
 BRENDA BURNS
 BOB BURNS
 SUSAN BITTER SMITH

 Arizona Corporation Commission
DOCKETED

OCT 25 2013



IN THE MATTER OF THE APPLICATION OF
 ARIZONA WATER COMPANY FOR AN
 EXTENSION OF ITS CERTIFICATE OF
 CONVENIENCE AND NECESSITY AT
 COOLIDGE, PINAL COUNTY, ARIZONA.

DOCKET NO. W-01445A-06-0317

DECISION NO. 74157

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NOS. 69386, 70950, AND
72373

Open Meeting
 October 16 and 17, 2013
 Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the
 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On March 22, 2007, the Arizona Corporation Commission ("Commission") issued
 Decision No. 69386, approving Arizona Water Company's ("AWC") application to extend its
 Certificate of Convenience and Necessity ("CC&N") to include approximately 21 square miles
 adjacent to its Coolidge System. The Decision required AWC, among other things, to comply with
 the following:

- a. To file within one year of the Decision, a copy of the first Approval to Construct ("ATC") from the Arizona Department of Environmental Quality ("ADEQ") for the facilities needed to serve the requested area.
- b. To file within one year of the Decision, a copy of the first developer's Certificate of Assured Water Supply ("CAWS") from the Department of Water Resources ("ADWR").

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1 2. On January 9, 2008, in compliance with Decision No. 69386, AWC filed a copy of the
2 first ATC for the facilities needed to serve the extension area. In the same filing, AWC requested an
3 extension of time, until March 22, 2009, to file a copy of the first developer's CAWS. By Procedural
4 Order issued on March 4, 2008, AWC was granted an extension of time until March 22, 2009, to file
5 the first developer's CAWS.

6 3. On January 16, 2009, AWC filed a Request for Additional Time to Comply with
7 Filing Requirements ("Second Request") set forth in Decision No. 69386. The Second Request
8 sought to extend the compliance deadline to file a copy of the CAWS for the first developer, until
9 March 22, 2011.

10 4. On April 7, 2009, the Commission issued Decision No. 70950 approving AWC's
11 Second Request, and extending the due date for the CAWS filing until March 22, 2011. At the time
12 of the Second Request, Staff recommended that any additional requests for extensions of time to
13 comply with Decision No. 69386, should include a strong showing that there is an imminent need for
14 service for each section of land in the CC&N extension. In Decision No. 70950, the Commission
15 determined that it would evaluate the specific facts and circumstances of any future requests for
16 extension of time by AWC, and put AWC on notice that future requests must demonstrate that
17 extraordinary circumstances exist to warrant granting additional time for compliance.

18 5. On January 24, 2011, AWC filed a third request for an extension of time, seeking an
19 additional two years, or until March 22, 2013, to file a copy of the CAWS from ADWR. The
20 application stated that AWC is serving eight customers in the extension area and that the CAWS is
21 the final required compliance item under Decision No. 69386. The Company further stated that its
22 receipt of the physical availability demonstration from the ADWR, a precursor to the CAWS,
23 demonstrates that the Company is moving toward total compliance. The Company also provided
24 letters from developer updating the need for service from AWC and stated that any potential loss of
25 the CC&N would harm the "slowly improving market."

26 6. On May 27, 2011, the Commission issued Decision No. 72373, granting AWC's
27 request for an extension of time, until March 22, 2013, to file a copy of the CAWS.

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1 7. On February 21, 2013, AWC filed this current request for an extension of time,
2 seeking an additional two years, until March 22, 2015, to file a copy of the CAWS from ADWR.
3 AWC's request states that AWC is serving nine customers in the "extension" area and has complied
4 with all of the compliance requirements with the exception of the CAWS. The application also states
5 that the primary reason AWC needs an extension of time is due to the "economic downturn" which
6 has delayed residential development in the area.

7 8. On August 30, 2013, Staff issued its Staff Report stating that it has no objection to
8 AWC's request for an extension of time, until March 22, 2015, to provide a copy of the CAWS. Staff
9 recommends that no further requests for extensions be granted in this matter.

10 9. We believe that any further request for an extension of time to comply should be
11 reviewed based on the facts and circumstances existing at the time of such request, but that AWC
12 should be on notice that it will be required to show that continued progress is being made toward the
13 filing of the compliance item or that there will be harm to the public interest if the future request for
14 an extension of time is not granted.

CONCLUSIONS OF LAW

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16 1. AWC is a public service corporation within the meaning of Article XV of the Arizona
17 Constitution and A.R.S. §§40-281 and 40-282.

18 2. The Commission has jurisdiction over AWC and the subject matter of the Request for
19 Additional Time to Comply with Commission Decision Nos. 69386, 70950, and 72373.

20 3. Staff's recommendation that AWC should receive an extension of time to comply with
21 Decision Nos. 69386, 70950, and 72373 is reasonable.

ORDER

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23 IT IS THEREFORE ORDERED that Arizona Water Company's request for an extension of
24 time, until March 22, 2015, to file a copy of the first developer's Certificate of Assured Water Supply
25 for the extension area conditionally granted in Decision Nos. 69386, 70950, and 72373 is hereby
26 granted.

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1 IT IS FURTHER ORDERED that Arizona Water Company shall be on notice that any future
 2 requests for extensions of time to comply with Decision Nos. 69386, 70950, and 72373, must
 3 demonstrate that issuance of the Certificate of Assured Water Supply is imminent or that harm to the
 4 public interest will result if the extension is not granted.

5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

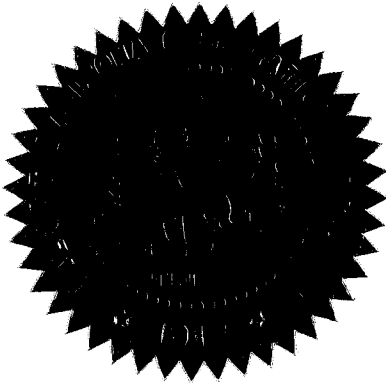
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COMMISSIONER

COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 25th day of October, 2013.

JODI JERICH
 EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

YBK:tv

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2 DOCKET NO.

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